



# DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

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### Long-Term Care Partnerships in Montana

#### ***What is "long-term care insurance"?***

Long-term care insurance is coverage which you can purchase which will help pay some or all of the costs of your long-term care needs.

#### ***What is a "long-term care partnership"?***

A "long-term care partnership" is a special kind of long-term care insurance which will not only help you pay for your long-term care needs, but will also help you protect your assets when applying for Medicaid after the insurance benefits run out.

#### ***Why should I consider purchasing a long-term care partnership?***

There are many benefits to a long-term care partnership!

- Health insurance (including Medicare) does not cover most of the costs of nursing home care—long-term care insurance will insure that you are not caught off guard trying to pay large bills when you or your loved one is the most vulnerable.
- Long-term care insurance will help you avoid having to depend on Medicaid to get the care you or your loved ones need.
- If you do end up requiring Medicaid coverage to meet your long-term care needs, long term care partnership insurance will help protect your assets up to the amount of your coverage!
- Your protected assets will also be exempt from estate recovery when you pass away.

#### ***How can a long-term care partnership help protect my assets?***

Here is an example to illustrate how long-term care insurance can protect your assets:

Bud and Shirley own a ranch. Their son (Sonny) has stayed on the ranch, and as Bud and Shirley have grown older, Sonny has taken on more and more of the ranch work. Bud and Shirley always intended that Sonny would inherit the ranch when they passed on. The ranch is worth \$600,000.

**If Bud and Shirley just give Sonny the ranch**, and one of them then needs to go to a nursing home (something every person should consider to be a possibility), they will not qualify for Medicaid for a very long time (almost ten years) because they have given away their ranch, which is an asset worth \$600,000.

Instead of giving the ranch away to Sonny now and "risking it" that they won't need nursing home care for at least 60 months, Bud and Shirley may want to consider **purchasing a Long Term Care Partnership policy** for each of them that would cover up to \$600,000 of nursing home costs if one of them were to need that care.

While the Long Term Care Partnership policy is in place, they will have insurance coverage that will pay for their needs, and they will not need to involve Medicaid.

Then, if the Long Term Care Partnership policy pays out all of its available benefits and ends, they can apply for Medicaid and exclude the equity they have in their ranch up to the full amount the Long Term Care Partnership policy paid out when their Medicaid eligibility is figured.

This means if their Long Term Care Partnership policy paid out \$600,000, after it was exhausted, their ranch would not count toward their Medicaid eligibility AND Sonny could inherit it from their estates when they died, and Medicaid would not put a lien or claim on the ranch for the amount the insurance paid out.

***Will purchasing a long-term care partnership policy automatically qualify me for Medicaid?***

No. Purchasing a long-term care partnership policy may help you protect your assets in cases in which you BECOME Medicaid eligible, but it does not in any way help you qualify for Medicaid coverage.

***How do I know if my insurance qualifies as a long-term care partnership?***

Long-term care insurance must be certified by the Office of the Commissioner of Securities and Insurance (CSI) in the state of Montana in order to qualify as a long-term care partnership. All long-term care partnership policies will have a certificate of qualification called a “Partnership Status Disclosure Notice” attached to the policy itself. This notice explains the status and benefits of your policy.

If you have any questions, please contact your insurance company or the Montana Commissioner of Securities and Insurance at 1-800-332-6148.

***Where can I purchase a qualified long-term care partnership policy?***

As of September 2010, qualified long-term care partnership policies are sold by the following companies in the state of Montana:

- American General (<http://www.americangeneral.com>)
- Bankers Life and Casualty Company (<http://www.bankers.com/>)
- Berkshire (<http://www.berkshirelife.com/>)
- Genworth Financial (<http://www.genworth.com/content/home.html>)
- Massachusetts Mutual Life Insurance Company (<http://www.massmutual.com/>)
- Mutual of Omaha (<http://www.mutualofomaha.com/>)
- New York Life Insurance Company (<http://www.newyorklife.com/>)
- Transamerica (<http://www.transamerica.com/>)
- United of Omaha (<http://www.mutualofomaha.com/>)

Please keep in mind that not all long-term care policies qualify as partnerships, and that any policy you buy MUST be accompanied by a “Partnership Status Disclosure Notice”

***Can my existing insurance be converted to a long-term care partnership?***

Sometimes—if your existing policy was issued after July 1, 2009 and is a policy that the insurer allows to be converted to an approved LTC partnership policy. If it was issued before that date, the insurer would have to agree that the policy could be reissued or exchanged for a partnership qualified policy.

***I bought a long-term care policy in another state—will it be recognized in Montana?***

Maybe. Qualified long-term care partnership policies issued in other states will be recognized in Montana if the state which issued the policy offers reciprocity to Montana. Please ask your case worker if you have any questions as to whether your policy will be recognized.

***Where can I go for more information about long term care insurance?***

- MT Commissioner of Securities and Insurance: <http://www.csi.mt.gov/> or 1-800-332-6148
- MT Long-Term Care Rate Comparison Guide:  
<http://www.csi.mt.gov/consumers/2010LTCRateGuide.pdf>
- National Clearinghouse for Long-Term Care Information:  
[http://www.longtermcare.gov/LTC/Main\\_Site/Paying\\_LTC/Private\\_Programs/LTC\\_Insurance/index.aspx](http://www.longtermcare.gov/LTC/Main_Site/Paying_LTC/Private_Programs/LTC_Insurance/index.aspx)

*This information is current as of 9/1/2010. Medicaid policies can and do change, and it is the responsibility of the facility and applicant to verify the most current policies when working towards establishing Medicaid eligibility.*